

**SPECIAL NOTICE**  
**TO ALL SALES AND USE TAX VENDORS - TAX RATES**  
**JULY 10, 2006**

**Effective July 15, 2006, recently passed legislation (A-4901) increases the New Jersey sales and use tax rate from 6% to 7%.**

**SALES AND USE TAX RATE CHANGE**

7% sales and use tax must be collected and remitted on all taxable sales of property and services that occur on and after July 15, 2006.

The new rate schedule is as follows:

<u>Tax Rate 7%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>	<u>Tax Rate 7%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>
\$0.01 to \$0.10	None	3.63 to 3.77	0.26
0.11 to 0.19	\$0.01	3.78 to 3.90	0.27
0.20 to 0.32	0.02	3.91 to 4.10	0.28
0.33 to 0.47	0.03	4.11 to 4.19	0.29
0.48 to 0.62	0.04	4.20 to 4.32	0.3
0.63 to 0.77	0.05	4.33 to 4.47	0.31
0.78 to 0.90	0.06	4.48 to 4.62	0.32
0.91 to 1.10	0.07	4.63 to 4.77	0.33
1.11 to 1.19	0.08	4.78 to 4.90	0.34
1.20 to 1.32	0.09	4.91 to 5.10	0.35
1.33 to 1.47	0.1	5.11 to 5.19	0.36
1.48 to 1.62	0.11	5.20 to 5.32	0.37
1.63 to 1.77	0.12	5.33 to 5.47	0.38
1.78 to 1.90	0.13	5.48 to 5.62	0.39
1.91 to 2.10	0.14	5.63 to 5.77	0.4
2.11 to 2.19	0.15	5.78 to 5.90	0.41
2.20 to 2.32	0.16	5.91 to 6.10	0.42
2.33 to 2.47	0.17	6.11 to 6.19	0.43
2.48 to 2.62	0.18	6.20 to 6.32	0.44
2.63 to 2.77	0.19	6.33 to 6.47	0.45
2.78 to 2.90	0.2	6.48 to 6.62	0.46
2.91 to 3.10	0.21	6.63 to 6.77	0.47
3.11 to 3.19	0.22	6.78 to 6.90	0.48
3.20 to 3.32	0.23	6.91 to 7.10	0.49
3.33 to 3.47	0.24	7.11 to 7.19	0.5
3.48 to 3.62	0.25	7.20 to 7.32	0.51

<u>Tax Rate 7%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>	<u>Tax Rate 7%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>
7.33 to 7.47	0.52	9.63 to 9.77	0.68
7.48 to 7.62	0.53	9.78 to 9.90	0.69
7.63 to 7.77	0.54	9.91 to 10.10	.70*
7.78 to 7.90	0.55	Over \$10	.70*
7.91 to 8.10	0.56	Over \$20	1.40*
8.11 to 8.19	0.57	Over \$30	2.10*
8.20 to 8.32	0.58	Over \$40	2.80*
8.33 to 8.47	0.59	Over \$50	3.50*
8.48 to 8.62	0.6	Over \$60	4.20*
8.63 to 8.77	0.61	Over \$70	4.90*
8.78 to 8.90	0.62	Over \$80	5.60*
8.91 to 9.10	0.63	Over \$90	6.30*
9.11 to 9.19	0.64	Over \$100	7.00*
9.20 to 9.32	0.65	Over \$200	14.00*
9.33 to 9.47	0.66	Over \$300	21.00*
9.48 to 9.62	0.67	Over \$400	28.00*

\* On amounts above \$10.00, the tax shall be \$0.07 on each full dollar of the amount of sale, plus the tax on each part of a dollar in excess of a full dollar in accordance with the above formula.

### **ATLANTIC CITY BUSINESSES**

This legislation also changed the combined rate for sales subject to both the New Jersey Sales and Use Tax and the Atlantic City Luxury Tax from 12% to 13%. The following rules apply to all sales made in Atlantic City on and after July 15, 2006:

- Sales that are subject to both taxes continue to be subject to the Atlantic City Luxury Tax at 9%. However, these sales are now subject to New Jersey Sales and Use Tax at the new rate of 4%.
- Sales subject only to New Jersey Sales and Use Tax are taxable at the new rate of 7%.
- Sales of alcoholic beverages by the drink in Atlantic City are taxable at the combined rate of 10% (3% Atlantic City Luxury Tax and 7% Sales and Use Tax). Sales of package goods are subject to Sales and Use Tax at the rate of 7%.
- For sales subject to both New Jersey Sales and Use Tax and Atlantic City Luxury Tax, the Sales and Use Tax rate increases from 3% to 4%.

The new rate schedule for Atlantic City businesses is as follows:

Tax Rate 3% Amount of Sale	Tax to be Collected
\$0.01 to \$0.16	None
.17 to .40	\$0.01
.41 to .70	0.02
.71 to 1.16	0.03
Over \$2	.06*
Over \$3	.09*
Over \$ 4	.12*
Over \$5	.15*
Over \$10	.30*
Over \$15	.45*
Over \$20	.60*
Over \$100	3.00*

\* On amounts above \$1.00, the tax shall be a multiple of the rate on each full dollar of the sale plus the tax on each part of a dollar in excess of a full dollar in accordance with the above formula.

Tax Rate 4% Amount of Sale	Tax to be Collected
\$0.01 to \$0.12	None
.13 to .36	\$0.01
.37 to .60	0.02
.61 to .84	0.03
.85 to 1.12	0.04
Over \$ 2	.08*
Over \$3	.12*
Over \$4	.16*
Over \$5	.20*
Over \$10	.40*

\* On amounts above \$1.00, the tax shall be a multiple of the rate on each full dollar of the sale plus the tax on each part of a dollar in excess of a full dollar in accordance with the above formula.

Tax Rate 9% Amount of Sale	Tax to be Collected
\$0.01 to \$0.08	None
.09 to .16	\$0.01

Tax Rate 9% Amount of Sale	Tax to be Collected
.17 to .25	0.02
.26 to .36	0.03
.37 to .47	0.04
.48 to .58	0.05
.59 to .70	0.06
.71 to .82	0.07
.83 to .92	0.08
.93 to 1.08	0.09
Over \$ 2	.18*
Over \$3	.27*
Over \$4	.36*
Over \$5	.45*
Over \$6	.54*
Over \$7	.63*
Over \$8	.72*
Over \$9	.81*
Over \$10	.90*
Over \$20	1.80*

\* On amounts above \$1.00, the tax shall be a multiple of the rate on each full dollar of the sale plus the tax on each part of a dollar in excess of a full dollar in accordance with the above formula.

Tax Rate 13% Amount of Sale	Tax to be Collected	Tax Rate 13% Amount of Sale	Tax to be Collected
\$0.01 to \$0.5	None	Over \$2	.26*
.06 to .11	\$0.01	Over \$3	.39*
.12 to .19	0.02	Over \$4	.52*
.20 to .26	0.03	Over \$5	.65*
.27 to .34	0.04	Over \$6	.78*
.35 to .42	0.05	Over \$7	.91*
.43 to .50	0.06	Over \$8	1.04*
.51 to .57	0.07	Over \$9	1.17*
.58 to .65	0.08	Over \$10	1.30*
.66 to .73	0.09	Over \$20	2.60*
.74 to .80	0.10	Over \$30	3.90*
.81 to .88	0.11	Over \$40	5.20*
.89 to .96	0.12	Over \$50	6.50*
.97 to 1.05	0.13	Over \$100	13.00*

\* On amounts above \$1.00, the tax shall be a multiple of the rate on each full dollar of the sale plus the tax on each part of a dollar in excess of a full dollar in accordance with the above formula.

### **CAPE MAY COUNTY TOURISM BUSINESSES**

On and after July 15, 2006, businesses in Wildwood, North Wildwood and Wildwood Crest which are subject to the Tourism Sales Tax will collect the 2% Tourism Tax and 7% Sales Tax, for a combined rate of tax of 9% on tourism-related sales (this is in addition to the 1.85% Tourism Assessment and the 3.15% State Occupancy Fee on hotel occupancies)

The new rate schedule for businesses subject to the Cape May County Tourism Tax is as follows:

<u>Tax Rate 9%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>	<u>Tax Rate 9%</u> <u>Amount of Sale</u>	<u>Tax to be</u> <u>Collected</u>
\$0.01 to \$0.08	None	2.71 to 2.82	0.25
0.09 to 0.16	\$0.01	2.83 to 2.92	0.26
0.17 to 0.25	0.02	2.93 to 3.08	0.27
0.26 to 0.36	0.03	3.09 to 3.16	0.28
0.37 to 0.47	0.04	3.17 to 3.25	0.29
0.48 to 0.58	0.05	3.26 to 3.36	0.3
0.59 to 0.70	0.06	3.37 to 3.47	0.31
0.71 to 0.82	0.07	3.48 to 3.58	0.32
0.83 to 0.92	0.08	3.59 to 3.70	0.33
0.93 to 1.08	0.09	3.71 to 3.82	0.34
1.09 to 1.16	0.1	3.83 to 3.92	0.35
1.17 to 1.25	0.11	3.93 to 4.08	0.36
1.26 to 1.36	0.12	4.09 to 4.16	0.37
1.37 to 1.47	0.13	4.17 to 4.25	0.38
1.48 to 1.58	0.14	4.26 to 4.36	0.39
1.59 to 1.70	0.15	4.37 to 4.47	0.4
1.71 to 1.82	0.16	4.48 to 4.58	0.41
1.83 to 1.92	0.17	4.59 to 4.70	0.42
1.93 to 2.08	0.18	4.71 to 4.82	0.43
2.09 to 2.16	0.19	4.83 to 4.92	0.44
2.17 to 2.25	0.2	4.93 to 5.08	0.45
2.26 to 2.36	0.21	5.09 to 5.16	0.46
2.37 to 2.47	0.22	5.17 to 5.25	0.47
2.48 to 2.58	0.23	5.26 to 5.36	0.48
2.59 to 2.70	0.24	5.37 to 5.47	0.49

Tax Rate 9%	Tax to be	Tax Rate 9%	Tax to be
Amount of Sale	Collected	Amount of Sale	Collected
5.48 to 5.58	0.5	8.09 to 8.16	0.73
5.59 to 5.70	0.51	8.17 to 8.25	0.74
5.71 to 5.82	0.52	8.26 to 8.36	0.75
5.83 to 5.92	0.53	8.37 to 8.47	0.76
5.93 to 6.08	0.54	8.48 to 8.58	0.77
6.09 to 6.16	0.55	8.59 to 8.70	0.78
6.17 to 6.25	0.56	8.71 to 8.82	0.79
6.26 to 6.36	0.57	8.83 to 8.92	0.8
6.37 to 6.47	0.58	8.93 to 9.08	0.81
6.48 to 6.58	0.59	9.09 to 9.16	0.82
6.59 to 6.70	0.6	9.17 to 9.25	0.83
6.71 to 6.82	0.61	9.26 to 9.36	0.84
6.83 to 6.92	0.62	9.37 to 9.47	0.85
6.93 to 7.08	0.63	9.48 to 9.58	0.86
7.09 to 7.16	0.64	9.59 to 9.70	0.87
7.17 to 7.25	0.65	9.71 to 9.82	0.88
7.26 to 7.36	0.66	9.83 to 9.92	0.89
7.37 to 7.47	0.67	9.93 to 10.08	0.9
7.48 to 7.58	0.68	Over \$10	90*
7.59 to 7.70	0.69	Over \$20	1.80*
7.71 to 7.82	0.7	Over \$30	2.70*
7.83 to 7.92	0.71	Over \$40	3.60*
7.93 to 8.08	0.72	Over \$50	4.50*

\*On amounts above \$10.00, the tax shall be \$0.90 on each full \$10.00 of the amount of sale, plus the tax on each part of the sale amount in excess of a full \$10.00 in accordance with the above formula.

#### **URBAN ENTERPRISE ZONE BUSINESSES**

On and after July 15, 2006, sellers authorized to charge the 50% reduced rate are required to charge and collect sales tax at the rate of 3.5% on all qualified taxable sales.

The new rate schedule for businesses authorized to charge tax at 50% is as follows:

Tax Rate 3.5%	Tax to be	Tax Rate 3.5%	Tax to be
Amount of Sale	Collected	Amount of Sale	Collected
0.01 to \$0.14	None	0.72 to 1.00	0.03
0.15 to 0.42	\$0.01	1.01 to 1.28	0.04
0.43 to 0.71	0.02	1.29 to 1.57	0.05

Tax Rate 3.5%	Tax to be	Tax Rate 3.5%	Tax to be
Amount of Sale	Collected	Amount of Sale	Collected
1.58 to 1.85	0.06	7.86 to 8.14	0.28
1.86 to 2.14	0.07	8.15 to 8.42	0.29
2.15 to 2.42	0.08	8.43 to 8.71	0.3
2.43 to 2.71	0.09	8.72 to 9.00	0.31
2.72 to 3.00	0.1	9.01 to 9.28	0.32
3.01 to 3.28	0.11	9.29 to 9.57	0.33
3.29 to 3.57	0.12	9.58 to 9.85	0.34
3.58 to 3.85	0.13	9.86 to 10.14	0.35
3.86 to 4.14	0.14	Over \$10	.35*
4.15 to 4.42	0.15	Over \$20	.70*
4.43 to 4.71	0.16	Over \$30	1.05*
4.72 to 5.00	0.17	Over \$40	1.40*
5.01 to 5.28	0.18	Over \$50	1.75*
5.29 to 5.57	0.19	Over \$60	2.10*
5.58 to 5.85	0.2	Over \$70	2.45*
5.86 to 6.14	0.21	Over \$80	2.80*
6.15 to 6.42	0.22	Over \$90	3.15*
6.43 to 6.71	0.23	Over \$100	3.50*
6.72 to 7.00	0.24	Over \$200	7.00*
7.01 to 7.28	0.25	Over \$300	10.50*
7.29 to 7.57	0.26	Over \$400	14.00*
7.58 to 7.85	0.27		

\* On amounts above \$10.00, the tax shall be \$0.35 on each full \$10.00 of the amount of sale, plus the tax on each part of the sale amount in excess of a full \$10.00 in accordance with the above formula.

### **SALEM COUNTY BUSINESSES**

On and after July 15, 2006, sellers authorized to charge the 50% reduced rate are required to charge and collect sales tax at the rate of 3.5% on all qualified taxable sales.

The new rate schedule for businesses authorized to charge tax at 50% is as follows:

Tax Rate 3.5%	Tax to be	Tax Rate 3.5%	Tax to be
Amount of Sale	Collected	Amount of Sale	Collected
0.01 to \$0.14	None	0.72 to 1.00	0.03
0.15 to 0.42	\$0.01	1.01 to 1.28	0.04
0.43 to 0.71	0.02	1.29 to 1.57	0.05

Tax Rate 3.5%	Tax to be	Tax Rate 3.5%	Tax to be
Amount of Sale	Collected	Amount of Sale	Collected
1.58 to 1.85	0.06	7.86 to 8.14	0.28
1.86 to 2.14	0.07	8.15 to 8.42	0.29
2.15 to 2.42	0.08	8.43 to 8.71	0.3
2.43 to 2.71	0.09	8.72 to 9.00	0.31
2.72 to 3.00	0.1	9.01 to 9.28	0.32
3.01 to 3.28	0.11	9.29 to 9.57	0.33
3.29 to 3.57	0.12	9.58 to 9.85	0.34
3.58 to 3.85	0.13	9.86 to 10.14	0.35
3.86 to 4.14	0.14	Over \$10	.35*
4.15 to 4.42	0.15	Over \$20	.70*
4.43 to 4.71	0.16	Over \$30	1.05*
4.72 to 5.00	0.17	Over \$40	1.40*
5.01 to 5.28	0.18	Over \$50	1.75*
5.29 to 5.57	0.19	Over \$60	2.10*
5.58 to 5.85	0.2	Over \$70	2.45*
5.86 to 6.14	0.21	Over \$80	2.80*
6.15 to 6.42	0.22	Over \$90	3.15*
6.43 to 6.71	0.23	Over \$100	3.50*
6.72 to 7.00	0.24	Over \$200	7.00*
7.01 to 7.28	0.25	Over \$300	10.50*
7.29 to 7.57	0.26	Over \$400	14.00*
7.58 to 7.85	0.27		

\* On amounts above \$10.00, the tax shall be \$0.35 on each full \$10.00 of the amount of sale, plus the tax on each part of the sale amount in excess of a full \$10.00 in accordance with the above formula.

**STATE OCCUPANCY FEE AND MUNICIPAL OCCUPANCY TAX**  
**(HOTEL/MOTEL TAX)**

7% sales and use tax must be collected and remitted on all taxable occupancies that occur in this State on and after July 15, 2006.

The sales tax rate change has not increased the State Occupancy Fee tax rate nor the Municipal Occupancy Tax rate.

Municipalities imposing a Municipal Occupancy Tax, impose the tax at a rate of 3% [Note that the Municipal Occupancy tax is imposed at a rate of 2% in: Cape May City (not the Borough), Glassboro Borough (Gloucester County), Berkeley Twp (Ocean County), and Somers Point City (Atlantic County)].

The State Occupancy Fee in all municipalities, other than those noted below, is imposed at a rate of 5%.

**Newark, Jersey City, Atlantic City, Wildwood, Wildwood Crest, & N. Wildwood** – on after July 15, 2006, sales tax is imposed at a rate of 7%; the State Occupancy Fee remains the same; these municipalities are not authorized to enact a Municipal Occupancy Tax.

- Newark & Jersey City- 7% Sales Tax, 6% Local Hotel, 1% State Occupancy Fee;
- Atlantic City - 4% Sales Tax, 9% Luxury Tax, 1% State Occupancy Fee;
- The Wildwoods- 7% Sales Tax , 2% Tourism Sales Tax, 1.85% Tourism Assessment, 3.15% State Occupancy Fee.

**FOR MORE INFORMATION**

- Visit our [website](#)
- Call our Customer Service Center at 1- 609-292-6400, Monday through Friday, 8:30 am to 4:30 pm
- [E-mail us](#)